IFR US ECM BRIEFING

US EQUITIES
BOOKRUNNERS: 1/1/2013 TO 8/3/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Citigroup	47	6,552.58	15.4
2	Goldman Sachs	27	6,027.38	14.2
3	Morgan Stanley	35	4,927.54	11.6
4	Barclays	37	4,782.00	11.3
5	BofA Merrill Lynch	37	3,807.70	9.0
6	JP Morgan	34	3,459.79	8.1
7	Credit Suisse	25	2,719.01	6.4
8	UBS	22	1,848.29	4.4
9	Deutsche Bank	23	1,708.74	4.0
10	Wells Fargo & Co	26	1,607.31	3.8
	Total	**149**	**42,482.23**	

Including all domestic and international deals and rights issues

Source: Thomson Reuters (SDC code: C3r)

GLOBAL CONVERTIBLE OFFERINGS
BOOKRUNNERS: 1/1/2013 TO 8/3/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Goldman Sachs & Co	9	1,512.88	25.0
2	JP Morgan	9	1,259.13	20.8
3	BofA Merrill Lynch	7	1,123.42	18.6
4	Citigroup	6	589.67	9.8
5	Morgan Stanley	4	555.50	9.2
6	Credit Suisse	5	397.67	6.6
7	Barclays	2	203.75	3.4
8	Deutsche Bank	3	200.50	3.3
9	Wells Fargo & Co	2	109.25	1.8
10	Jefferies & Co Inc	1	60.00	1.0
	Total	**21**	**6,040.25**	

Includes all US$ denominated bonds structured to be sold in the US, including exchangeables.

Source: Thomson Reuters (SDC code: C9a)

Typically, the religious holidays of Passover and Easter fall within the month of April, but, this year, they fall relatively early, compressing the window for prospective issuers looking to take advantage of the current low volatility, low correlation and somewhat bullish equity markets.

The regulatory review process is another factor dictating access to the current financing window.

For EGC/JOBS Act filers, the process of going public begins with an initial public filing of a registration statement before going into a 21-day holding period. After the holding period, they are eligible to launch a formal bookbuilding process, although they are allowed to have previously informally tested the waters.

The process is slightly different for larger non-EGC entities. They must undergo a lengthier review process required of all companies before the passage of the JOBS Act. Typically, the final step of that process begins with the regulatory review of audited financial statements, which can take five to 10 days.

PINNACLE FOODS, among those to fall in the larger category, appears poised to launch its IPO. The Blackstone Group-backed branded-food company last week amended IPO documents. The latest revision indicates a planned float of $632.5m, after initial filings in December had $100m as a placeholder.

Active joint bookrunners *Barclays* and *Bank of America Merrill Lynch* have second-line bookrunners Credit Suisse, *Goldman Sachs*, *Morgan Stanley* and *UBS* for company.

In the latest filing, submitted last Wednesday, Pinnacle Foods provided updated financials for full-year 2012. The company posted a net profit of $52m on revenue of $2.48m for last year. The result was a turnaround from 2011's loss of US$47m on revenue of $2.47m. Pinnacle, a former buyout, finished the year with $2.6bn of debt on its balance sheet for pre-IPO leverage of 6.1x trailing Ebitda of $426m.

Pinnacle, which Blackstone purchased for $2.2bn in 2007, plans to use proceeds from the IPO to reduce debt to a more manageable 4.9x trailing Ebitda. Blackstone acquired Pinnacle, which owns brands such as Aunt Jemima, Duncan Hines and Birds Eye Foods, for $1.3bn in 2009.

Taylor Morrison IPO in the frame

TAYLOR MORRISON HOME is another keenly awaited IPO. The US homebuilder could be on the road this week if SEC regulators act quickly. The latest amendment to the registration statement of America's sixth-largest homebuilder was filed on Tuesday, reflecting financial results through the 2012 yearend.

With regulatory approval, *Credit Suisse* and *Citigroup* will no more to do than set terms and pricing guidance for the $500m IPO.

Financial results from Taylor Morrison support the popular notion that a nascent recovery in the US housing market is under way. The company closed on 4,014 homes in the US and Canada last year, generating $1.3bn of revenue, up 2.8% year on year.

Top-line contributions from land development and financial services pushed Taylor Morrison's 2012 revenue to $1.44bn, a 4% year-on-year improvement from $1.37bn. Net profit for 2012 of $431m was 6x more than 2011's $71m.

Taylor Morrison carries $1bn of debt relating to its 2011 LBO by Oaktree Capital Group and TPG, but is comfortably leveraged at 3.45x trailing Ebitda. The offering is effectively a synthetic secondary IPO, as Taylor Morrison will use proceeds to redeem debt that its LBO sponsors hold.

Among other IPOs that look close to launch are those of MARIN SOFTWARE and SOPHIRIS BIO.

Smelling a deal

Bank of America Merrill Lynch, *JP Morgan* and *Morgan Stanley* appear to be preparing COTY for a near-term launch of its $700m IPO. The designer fragrance manufacturer was in the debt market last week with a $2.5bn refinancing with JP Morgan leading the effort. Having addressed its balance-sheet issues, Coty updated its IPO registration on Friday to reflect its most recent financial results.

The perfumer posted a net profit of $210m on revenue of $2.59bn for the first half (to December 31, 2012) of its financial year to June 30, 2013. The result was a marginal improvement on the profit of $198m on sales of $2.58bn for the first half in FY2011. The previous filing in January included earnings through to September 30, 2012.

Speaking of long-awaited floats, there are also whispers that satellite company INTELSAT,

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which aborted plans to go public last year and has not filed an amended registration statement since December, is dusting off its IPO plans and looking at a first-half launch. *Goldman Sachs*, *JP Morgan* and *Morgan Stanley* are on the cover of the most recent IPO filing.

Stimulus cuts into Silver Spring

SILVER SPRING NETWORKS, the next-generation smart-grid software provider, has had a storied financial past mixed with a continuing rotation of advisers throughout its 10-year history. If all goes to plan, the latest step in that evolution will culminate on Thursday with a successful $66.6m IPO.

Tellingly, the IPO is smaller than once anticipated ($150m on the original documentation) and is targeting a market cap of just $800m, or half of the amount the company fetched in a private round in 2009. Obviously, a down-round was not envisaged and certainly not in the context of a public markets transaction for a company that promised so much.

A lot has changed since 2009. *Goldman Sachs* and *Credit Suisse* were slotted to lead the all-primary IPO, completely supplanting original lead-left banker *Morgan Stanley*, which was heavily involved in helping Silver Spoon raise money in recent private rounds.

A big reason for the lowered valuation has to do with the business itself.

The expected proliferation of smart meters has been slow to materialize. Smart meter shipments fell 33% between 2010 and 2012 on a pullback in government subsidies, noted Greentech Capital Advisors in a recent report entitled "Sustenance: Perspectives on sustainable infrastructure".

Silver Spring, which counts PSE&G, Pepco and Florida Power and Light among its customers, recently signed CPS Energy Partners of San Antonio, Texas, as a customer. The company is said to have 15 other customers in the process of piloting its smart-grid management software.

Although Silver Spring is not a pure smart-metering play, it does benefit from the US Government's bid to modernize the energy grid. Its SGM software, now in its fourth generation, has become the industry standard for IP-based management of peak power, advanced metering, distribution and consumer services.

Hard work

There was a healthy number of recent IPOs filed last week for launch or price follow-ons. Among them were TRULIA, DEL FRISCO'S RESTAURANT GROUP, WAGEWORKS, TUMI and MRC GLOBAL, which not only partly reflect a busy period for IPOs six months earlier but also, obviously, the strong aftermarket showings of many of these IPOs.

Another potential follow-on filer many will be looking for in the next few weeks is human resources software darling WORKDAY, which reported its fourth-quarter earnings last week. The company delivered 89% revenue growth, which seemed to please analysts. Workday shares rose 1.4% on Friday to $62.50, well north of the company's October IPO price of $28.

Yet, those looking for a cheaper entry point may be disappointed. The company said that once lock-ups expire on April 10, 63m shares will be available for sale. However, quizzed on Workday's plans, CFO Mark Peek told analysts that, while the company did not have insight into the intent of its early investors, "we don't plan on having an organized distribution or a secondary offering at this time".

Like last week, this one will see a several companies emerge from lock-up periods related to recent offerings of one kind or another. The companies include CHATHAM LODGING TRUST, COLONY FINANCIAL, HARBINGER, NEWCASTLE INVESTMENT, PRIMERICA, REGAL BELOIT, TILE SHOP and WILLIAMS COMPANIES.

WEEK TOTAL $9,811.93M – IPO $344.7M – ABB/BLOCK $6,318.8M – FOLLOW-ON $2,373.4M – CB $775.0M

Monday

First Industrial Realty Trust (US, REIT) – $134m Block. 8.4m shares (100% prim) at $15.95, vers$16.35 last sale. *BAML, UBS.*

Jazz Pharmaceuticals (US, pharma) – $314.4m Block. 5.4m shares (100% sec) at $58.50, versus $60 last sale. *BARC.*

Williams Partners (US, MLP) – $491.4m ABB. 10m units (100% prim) at $49.14, versus $50.55 last sale. 3m units in private placement w/Williams Cos. *BARC, BAML, CITI, MS, UBS, DB, JEFF, WF.*

Tuesday

Apolb Commercial Real Estate Finance (US, CMBS REIT) – $137.2m Block. 8m shares (100% primary) reoffered at $17.05-$17.15, versus $17.58 last sale. *JPM, BAML, CITI.*